

Exhibit 2

**AMENDMENT NO. 1 TO LIMITED PARTNERSHIP INTEREST
PURCHASE & SALE AGREEMENT**

This **AMENDMENT NO. 1 TO LIMITED PARTNERSHIP INTEREST PURCHASE & SALE AGREEMENT** ("*Amendment No.1*") is entered into as of December 11, 2008 by and among Gracoal, Inc. and Gracoal II, Inc., each a Delaware corporation (each a "*Seller*" and together the "*Sellers*"), W. R. Grace & Co.-Conn., a Connecticut corporation and the indirect parent of each of the Sellers ("*Grace*" and together with the Sellers, the "*Grace Parties*"); Rio Tinto White Horse Company, a Delaware corporation ("*Purchaser*"), Kennecott Colorado Coal Company, a Delaware corporation ("*KCCC*"), Rio Tinto America Inc., a Delaware corporation and direct parent of KCCC and Purchaser and successor, by assignment, to RTZ America Inc. ("*RTA*"); and Colowyo Coal Company L.P., a Delaware limited partnership (the "*Partnership*" and together with Purchaser, KCCC, and RTA, the "*Rio Tinto Parties*").

BACKGROUND

A. The Grace Parties and the Rio Tinto Parties (the "*Parties*") wish to amend the Limited Partnership Interest Purchase and Sale Agreement entered into as of November 7, 2008 (the "*Original Agreement*") among the Parties.

B. Capitalized terms used but not defined herein are used with the definitions given them in the Original Agreement.

C. Amendment language is set forth in bold italics herein solely for ease of reference.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 1.3(h) of the Original Agreement is hereby amended to read in its entirety as follows:

The Trustee, Grace, and a Rio Tinto Party (or an Affiliate thereof) shall execute and deliver the Assignment and Assumption Agreement (as defined in Section 1.6)

2. Sections 1.6 and 1.7 of the Original Agreement are hereby amended to read in their entirety as follows:

Section 1.6. Assignment and Assumption of Grace Trustee Undertaking Agreement. Grace shall seek to have the Sale Order (as defined in Section 3.1(a) hereof) provide that the Grace Undertaking Agreement be assumed and assigned by Grace under section 365 of the Bankruptcy Code, and all of the rights and obligations thereunder, other than Grace's obligation under Section 3(a) thereof, be assigned to and assumed at the Closing by one of the Rio Tinto Parties (or an Affiliate thereof) pursuant to an Assignment and Assumption of Insurance Undertaking, substantially in the form attached to this Agreement as Exhibit C (the "Assignment and Assumption Agreement"); and the Rio Tinto Parties will not object to the Assignment and Assumption Agreement so long as it is clear that said Section 3(a) will remain an obligation of Grace which under section 363(f) of the Bankruptcy Code will attach to the proceeds of the sale. In order to satisfy the condition to Closing set forth in

Sections 4.1(f) and 4.2(g) of this Agreement, the Sale Order must include the assignment and assumption described above.

Section 1.7. Reasonable Best Efforts. Notwithstanding the reasonable best efforts required of the Parties pursuant to Section 1.5 or any other provision of this Agreement, it is expressly understood, acknowledged and agreed that none of the Parties shall be required to make any payment to, or otherwise incur any obligation in favor of, the Trustee (other than the Substitute LOC and any customary fees and expenses of the Trustee as set forth in the Indenture, including without limitation the fees and expenses of the Trustee's agents and counsel, as applicable), or seek to obtain the consent of the holders of the Bonds, in connection with any of the transactions contemplated by this Agreement or obtaining the Trustee's acceptance of a Substitute LOC pursuant to Section 1.5. The fees and expenses of the Trustee and the Trustee's agents and counsel in connection with the Transactions shall be paid 50% by Grace and 50% by the Rio Tinto Parties at the Closing pursuant to an invoice of the Trustee submitted at least two (2) business days prior thereto.

3. Section 4.2(e) of the Original Agreement is hereby deleted, provided that the subsequent subsections of Section 4.2 shall not be relettered.

4. The exhibits to the Original Agreement shall be amended by adding as Exhibit C thereto, the form of Assignment and Assumption Agreement attached hereto.

5. Except as amended by this Amendment No.1, the Original Agreement shall remain in full force and effect.

6. The provisions of Sections 5.2, 5.3, and 5.7 through 5.12 inclusive of the Original Agreement are hereby incorporated by reference into this Amendment No. 1; provided that as so incorporated, all references to "this Agreement" shall be deemed to refer to this Amendment No. 1.

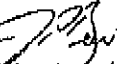

7. This Amendment No. 1 may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 as of the date first written above.

<p>GRACOAL, INC.</p> <p>By: <u>W.B. McGowan</u> Name: <u>W. Brian McGowan</u> Title: <u>President</u></p>	<p>RIO TINTO WHITE HORSE COMPANY</p> <p>By: _____ Name: _____ Title: _____</p>
<p>GRACOAL II, INC.</p> <p>By: <u>W.B. McGowan</u> Name: <u>W. Brian McGowan</u> Title: <u>President</u></p>	<p>KENNECOTT COLORADO COAL COMPANY</p> <p>By: _____ Name: _____ Title: _____</p>
<p>W. R. GRACE & CO.-CONN.</p> <p>By: <u>W.B. McGowan</u> Name: <u>W. Brian McGowan</u> Title: <u>Senior Vice President</u></p>	<p>RIO TINTO AMERICA INC.</p> <p>By: _____ Name: _____ Title: _____</p>
	<p>COLOWYO COAL COMPANY L.P.</p> <p>By: <u>Kennecott Colorado Coal Company, Its General Partner</u></p> <p>By: _____ Name: _____ Title: _____</p>

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 as of the date first written above.

<p>GRACOAL, INC.</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>RIO TINTO WHITE HORSE COMPANY</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
<p>GRACOAL II, INC.</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>KENNECOTT COLORADO COAL COMPANY</p> <p>By: </p> <p>Name: <i>Tim Benson</i></p> <p>Title: <i>CHIEF OPERATING OFFICER</i></p>
<p>W. R. GRACE & CO.-CONN.</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p>RIO TINTO AMERICA INC.</p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
	<p>COLOWYO COAL COMPANY L.P.</p> <p>By: Kennecott Colorado Coal Company, Its General Partner</p> <p>By: </p> <p>Name: <i>Tim Benson</i></p> <p>Title: <i>CHIEF OPERATING OFFICER</i></p>

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 as of the date first written above.

<p>GRACOAL, INC.</p> <p>By: _____ Name: Title:</p>	<p>RIO TINTO WHITE HORSE COMPANY</p> <p>By: <u>McBarrett</u> Name: <u>McBarrett</u> Title: <u>CFO</u></p>
<p>GRACOAL II, INC.</p> <p>By: _____ Name: Title:</p>	<p>KENNECOTT COLORADO COAL COMPANY</p> <p>By: _____ Name: Title:</p>
<p>W. R. GRACE & CO.-CONN.</p> <p>By: _____ Name: Title:</p>	<p>RIO TINTO AMERICA INC.</p> <p>By: <u>McBarrett</u> Name: <u>McBarrett</u> Title: <u>CFO</u></p>
	<p>COLOWYO COAL COMPANY L.P.</p> <p>By: Kennecott Colorado Coal Company, Its General Partner</p> <p>By: _____ Name: _____ Title: _____</p>